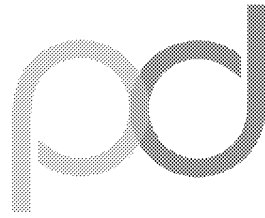


# **EXHIBIT 13**



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## **Transcript of William Strein**

**Date:** December 12, 2016

**Case:** Corcoran, et al. -v- CVS Pharmacy, Inc.

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Transcript of William Strein  
Conducted on December 12, 2016

1 (1 to 4)

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

CHRISTOPHER CORCORAN, et al.,

Plaintiffs,

-against-

CVS PHARMACY, INC.,

Defendant.

Case No.: 3:15-cv-03504-YGR

101 Park Avenue

New York, New York

December 12, 2016

1:37 p.m.

DEPOSITION of WILLIAM STREIN, before

Sadie L. Herbert, a RPR and Notary Public

of the States of New York and New Jersey.

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A P P E A R A N C E S: (Cont'd)

MORGAN LEWIS & BOCKIUS LLP

ON BEHALF OF WITNESS:

1701 Market Street

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BY: ERIC W. SITARCHUK, ESQ.

Phone 215.963.5840

Eric.sitarchuk@morganlewis.com

ALSO PRESENT:

CHARLES BOWMAN, Videographer

ALLISON STOLL, Express Scripts (via

telephonic conference)

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A P P E A R A N C E S:

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----- I N D E X -----

WITNESS EXAMINATION BY PAGE

WILLIAM STREIN MR. LEWIS 7, 152

MS. MAINIGI 144

MR. SITARCHUK 162

----- DIRECTION NOT TO ANSWER -----

PAGE: 12 What did Allison say?

16 During the time you were first

contacted in May, up until the

time you signed the declaration,

did someone ask you if the CVS HSP

price was considered a cash price

during the time you were vice

president at Medco, from 2008 to

2012?

17 And did you go over any documents

on that call?

----- E X H I B I T S -----

PLAINTIFF DESCRIPTION FOR I.D.

Exhibit 660 Subpoena 6

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CVSSM-0018920

Transcript of William Strein  
Conducted on December 12, 2016

2 (5 to 8)

5	7
<p>1 ----- E X H I B I T S (Cont'd)-----</p> <p>2 PLAINTIFF DESCRIPTION FOR I.D.</p> <p>3 Exhibit 662 Declaration of G. William 6</p> <p>4 Strein</p> <p>5 Exhibit 664 Email, Bates Stamped 131</p> <p>6 CVSC-0265726 - 27</p> <p>7 Exhibit 666 Pharmacy Participation 132</p> <p>8 Agreement, Bates Stamped</p> <p>9 CVSC-0265732 - 50</p> <p>10 Exhibit 668 NCPDP Def 46</p> <p>11</p> <p>12</p> <p>13 ----- PREVIOUSLY MARKED EXHIBITS -----</p> <p>14 PLAINTIFF DESCRIPTION FOR REF.</p> <p>15 Exhibit 552 Letter, Bates Stamped 79</p> <p>16 CVSC-0356466</p> <p>17 Exhibit 553 Email Chain, Bates 79</p> <p>18 Stamped CVSC-0386102 - 04</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 MS. MAINIGI: Enu Mainigi and</p> <p>2 Colleen McNamara from Williams &amp;</p> <p>3 Connolly for the defendants.</p> <p>4 MR. SITARCHUK: Eric W. Sitarchuk</p> <p>5 for the witness.</p> <p>6 THE VIDEOGRAPHER: The court</p> <p>7 reporter today is Sadie Herbert, also</p> <p>8 from Planet Depos. Would the court</p> <p>9 reporter please swear in the witness.</p> <p>10</p> <p>11 WILLIAM STREIN, the witness herein, having first</p> <p>12 been duly sworn, was examined and</p> <p>13 testified as follows:</p> <p>14 EXAMINATION</p> <p>15 BY MR. LEWIS:</p> <p>16 Q Good afternoon, Mr. Strein.</p> <p>17 A Good afternoon.</p> <p>18 Q Am I pronouncing your name correctly?</p> <p>19 A Strein, yes.</p> <p>20 Q Strein, thank you.</p> <p>21 A Mm-hmm, mm-hmm.</p> <p>22 Q My name is Richard Lewis and I'm a</p> <p>23 lawyer for the plaintiffs in this case, I'm</p> <p>24 going to take your deposition this afternoon.</p> <p>25 Have you ever had your deposition taken</p>
6	8
<p>1 (Exhibit 660, Subpoena, was</p> <p>2 pre-marked for identification.)</p> <p>3 (Exhibit 662, Declaration of G.</p> <p>4 William Strein, was pre-marked for</p> <p>5 identification.)</p> <p>6 THE VIDEOGRAPHER: Here begins Disk</p> <p>7 Number 1 of the videotaped deposition</p> <p>8 of William Strein in the matter of</p> <p>9 Christopher Corcoran, et al., v. CVS</p> <p>10 Pharmacy, Inc. in the United States</p> <p>11 District Court, Northern District of</p> <p>12 California, Case</p> <p>13 Number 3:15-CV-03504-YGR.</p> <p>14 Today's date is December 12th,</p> <p>15 2016. The time is approximately</p> <p>16 1:38 p.m.</p> <p>17 The videographer today is Charlie</p> <p>18 Bowman representing Planet Depos. This</p> <p>19 video deposition is taking place at</p> <p>20 Morgan Lewis, 101 Park Avenue, New</p> <p>21 York, New York.</p> <p>22 Would counsel please introduce</p> <p>23 yourselves for the record.</p> <p>24 MR. LEWIS: Richard Lewis for the</p> <p>25 plaintiff.</p>	<p>1 before?</p> <p>2 A Yes.</p> <p>3 Q About how many times?</p> <p>4 A Three or four.</p> <p>5 Q All right. And did you ever have your</p> <p>6 deposition taken when you were at Medco at 2008</p> <p>7 to 2012?</p> <p>8 A I -- I may have had it once in the 2008</p> <p>9 to '12 period.</p> <p>10 Q Okay. Just to go over the -- the</p> <p>11 general procedures of a deposition, I'm going to</p> <p>12 ask the questions, you're going to give the</p> <p>13 answers, we're each going to let each other</p> <p>14 speak and -- and not speak at the same time. If</p> <p>15 you need to take a break at any time, just let</p> <p>16 us know.</p> <p>17 A Okay.</p> <p>18 Q If you answer a question, I'm going to</p> <p>19 assume that you understood the question. So</p> <p>20 if -- if it's unclear, for any reason, just let</p> <p>21 me know and I'll try and clarify the question.</p> <p>22 A Fair enough.</p> <p>23 Q Is there any reason why you can't give</p> <p>24 accurate testimony today, any -- any medical</p> <p>25 or -- any medical reason?</p>

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Transcript of William Strein  
Conducted on December 12, 2016

22 (85 to 88)

85	<p>1     <b>A It -- it would be clear.</b></p> <p>2     Q Or anybody else that could read the</p> <p>3 English language?</p> <p>4         MR. SITARCHUK: Objection.</p> <p>5         MS. MAINIGI: Join.</p> <p>6     <b>A "Anybody" is an absolute term, I...</b></p> <p>7     Q Do you know that Medco, in spite of</p> <p>8 CVS's request, refused to adopt this language;</p> <p>9 correct?</p> <p>10 MS. MAINIGI: Objection.</p> <p>11         MR. SITARCHUK: Objection.</p> <p>12    <b>A I know that we didn't adopt it, I don't</b></p> <p>13 <b>know if we refused or ignored it.</b></p> <p>14    Q If you can turn to 552.</p> <p>15         Do you know Calvin Corum?</p> <p>16    <b>A Yes.</b></p> <p>17    Q Did you work with him during the years</p> <p>18 you were vice president?</p> <p>19    <b>A Yes -- well, not all the years, he left</b></p> <p>20 <b>prior to me.</b></p> <p>21    Q Do you understand this letter is a</p> <p>22 response to CVS saying they're not going to</p> <p>23 adopt the language in bold from Exhibit 553?</p> <p>24         MR. SITARCHUK: Objection.</p> <p>25    <b>A Yes.</b></p>	86
	<p>1     Q Now, in your -- I want to return to</p> <p>2 your declaration at, that's PX 662, and</p> <p>3 Paragraph 9, it says on the bottom of the page,</p> <p>4 "We determined that Medco's definition of 'usual</p> <p>5 and customary' in its pharmacy manual did not</p> <p>6 encompass membership" -- "membership program</p> <p>7 prices."</p> <p>8         Do you see that?</p> <p>9     <b>A In -- well, we -- yes, okay.</b></p> <p>10    Q Do you see that?</p> <p>11    <b>A Yes.</b></p> <p>12    Q And you made that determination, even</p> <p>13 though the definition of U&amp;C in Paragraph 13</p> <p>14 doesn't even mention membership prices; correct?</p> <p>15         MS. MAINIGI: Objection to form.</p> <p>16    <b>A In -- in 2009, we had a more expansive</b></p> <p>17 <b>definition.</b></p> <p>18    Q Okay.</p> <p>19    <b>A As referenced in Number 4.</b></p> <p>20    Q All right. From late 2- -- I'm sorry?</p> <p>21    <b>A And there was a -- the marketplace had</b></p> <p>22 <b>a lot of changes over the course of a couple</b></p> <p>23 <b>years here, so in part, I can't recall the exact</b></p> <p>24 <b>months, but changes were made based on changes</b></p> <p>25 <b>in the industry.</b></p>	87
	<p>1     Q All right. Let me just go back.</p> <p>2         From late 2009 to 2012, Medco's uniform</p> <p>3 U&amp;C price definition is set forth in</p> <p>4 Paragraph 13?</p> <p>5     <b>A In 2009 -- yes.</b></p> <p>6     Q And during that time frame, the way I</p> <p>7 understand your declaration, you acted on your</p> <p>8 determination or maintained your determination</p> <p>9 that Medco's definition of U&amp;C does -- did not</p> <p>10 encompass membership program prices; correct?</p> <p>11    <b>A You used two different verbs,</b></p> <p>12 <b>"maintained" and "decided," one -- one was a</b></p> <p>13 <b>continuation and one was a change which --</b></p> <p>14    Q All right. I did, and I apologize,</p> <p>15 maybe you can inform me what you did.</p> <p>16         MS. MAINIGI: Objection.</p> <p>17    Q Did you decide or did you maintain?</p> <p>18    <b>A Well, we --</b></p> <p>19         MS. MAINIGI: Objection.</p> <p>20         MR. SITARCHUK: Objection.</p> <p>21    <b>A There was discussion during the -- the</b></p> <p>22 <b>time frame where more pharmacies were offering a</b></p> <p>23 <b>Wal-Mart type \$4 program available to all</b></p> <p>24 <b>members -- all of their customers and the</b></p> <p>25 <b>evolution of -- subsequent evolution of these</b></p> <p>1 <b>membership programs and then the free -- free</b></p> <p>2 <b>generics program that other chains rolled out</b></p> <p>3 <b>and all of these dynamics were playing out</b></p> <p>4 <b>during that time, so initially, we tried to cast</b></p> <p>5 <b>a broad net, hence definition in the 2009 manual</b></p> <p>6 <b>that did reference membership programs.</b></p> <p>7 <b>Subsequent to that, other discussions, it was</b></p> <p>8 <b>decided to be less inclusive, less broad net and</b></p> <p>9 <b>we adopted the language that was in Item 13,</b></p> <p>10 <b>Paragraph 13, does -- does not have such</b></p> <p>11 <b>expansive language.</b></p> <p>12    Q All right.</p> <p>13    <b>A So it was a -- an attempt at a policy,</b></p> <p>14 <b>and a modification of that policy.</b></p> <p>15    Q All right. So in Paragraph 9, when you</p> <p>16 say, "We determined that Medco's definition of</p> <p>17 U&amp;C in its pharmacy manual did not encompass</p> <p>18 membership program prices," when -- what year</p> <p>19 did that happen?</p> <p>20    <b>A It would have been during 19- -- 2009</b></p> <p>21 <b>or late 2008.</b></p> <p>22    Q All right. And when 2010 began, was</p> <p>23 that still the determination and policy of</p> <p>24 Medco?</p> <p>25    <b>A 2010, beginning...</b></p>	88

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Transcript of William Strein  
Conducted on December 12, 2016

23 (89 to 92)

89	<p>1 Yes.</p> <p>2 Q And in 2011, was that still the</p> <p>3 determination and the policy of Medco?</p> <p>4 A That being that membership program</p> <p>5 discounts were not considered U&amp;C?</p> <p>6 Q Correct.</p> <p>7 A Yes.</p> <p>8 Q And in 2012, you continued that policy</p> <p>9 based on the determination that membership</p> <p>10 prices are not U&amp;C?</p> <p>11 A If it's specified in the manual, yes, I</p> <p>12 wasn't there the whole 2012.</p> <p>13 Q All right. And you maintained that</p> <p>14 policy for those three and a half years, even</p> <p>15 though the contract definition of U&amp;C doesn't</p> <p>16 mention, in any way, membership prices?</p> <p>17 A We maintained -- I'm sorry, when you</p> <p>18 say "that policy," the policy that membership</p> <p>19 plans are not considered U&amp;C?</p> <p>20 Q Correct.</p> <p>21 A Yes.</p> <p>22 Q You maintained that all those years?</p> <p>23 A Yes.</p> <p>24 Q In spite of the fact that there's</p> <p>25 nothing in the U&amp;C definition in your manual</p>	91	<p>1 answer to your -- I think the question is: Was</p> <p>2 that part of the discussion that we had? And</p> <p>3 the answer is yes.</p> <p>4 Q Yeah, I -- let me -- let me try and ask</p> <p>5 it differently.</p> <p>6 A Okay.</p> <p>7 Q The reason -- the primary reason you</p> <p>8 decided that membership club prices like an HSP</p> <p>9 price should not be considered as part of U&amp;C is</p> <p>10 because they had a fee that people had to pay to</p> <p>11 join?</p> <p>12 MR. SITARCHUK: Objection.</p> <p>13 MS. MAINIGI: Objection.</p> <p>14 A Well, actually, it was because this was</p> <p>15 a subset of the membership, it wasn't available</p> <p>16 to all -- all of our members, and I'm talking --</p> <p>17 when I say "members," our beneficiaries, it was</p> <p>18 available to some, who chose to take additional</p> <p>19 actions beyond what the benefit calls for.</p> <p>20 Q All right. Let's look at Paragraph 9</p> <p>21 of your declaration.</p> <p>22 A Okay.</p> <p>23 Q And I'm on to Page 3, it could -- it</p> <p>24 goes over to Page 3.</p> <p>25 At the top of Page 3, you say, quote,</p>
90	<p>1 that addresses membership prices?</p> <p>2 A In the -- in the 20 -- in the third --</p> <p>3 Paragraph 13, 2009 to 2012, yes.</p> <p>4 Q Okay. Now, that determination that you</p> <p>5 made, that you describe in Paragraph 9 and that</p> <p>6 you have now told me you maintained through 2012</p> <p>7 was based fundamentally on your belief that the</p> <p>8 CVS HSP had a membership fee; correct?</p> <p>9 MR. SITARCHUK: Objection.</p> <p>10 A First of all, it wasn't based on just</p> <p>11 CVS, it was other membership programs that may</p> <p>12 have existed.</p> <p>13 Q All right. And that's because they had</p> <p>14 a membership fee, that's why you said --</p> <p>15 A They --</p> <p>16 Q -- they should not -- that's why you</p> <p>17 decided they should not be part of the U&amp;C?</p> <p>18 MR. SITARCHUK: Objection.</p> <p>19 A What we decided -- what we decided was</p> <p>20 that there was -- what -- the discussion</p> <p>21 revolved around was, what are those membership</p> <p>22 plans and they typically involved the outreach</p> <p>23 by a member, a person, a customer, an</p> <p>24 application, a payment of a fee and in return,</p> <p>25 they got some benefit and -- and I think the</p>	92	<p>1 "We viewed program members" -- let me stop.</p> <p>2 You mean program members in a -- in a</p> <p>3 membership club?</p> <p>4 A That was my understanding, yes.</p> <p>5 Q Okay. "...particularly where program</p> <p>6 members had paid a membership fee to access the</p> <p>7 pharmacy's special pricing as separate and</p> <p>8 distinct from cash customers who paid the</p> <p>9 pharmacy's retail price."</p> <p>10 Do you see that?</p> <p>11 A Yes.</p> <p>12 Q All right. So you thought the</p> <p>13 difference between membership fee payers and</p> <p>14 cash payers, that you identify here, was that</p> <p>15 the membership payers had to pay a fee?</p> <p>16 MR. SITARCHUK: Objection.</p> <p>17 MS. MAINIGI: Join.</p> <p>18 A They had to pay a fee and maybe do</p> <p>19 other things. We weren't familiar with all the</p> <p>20 other activities, but I do know that some had to</p> <p>21 fill out forms and make application to be</p> <p>22 members.</p> <p>23 Q But -- but in Paragraph 9 --</p> <p>24 A I --</p> <p>25 Q I'm sorry, in Paragraph 9, you're</p>

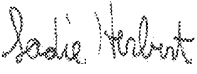
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Transcript of William Strein  
Conducted on December 12, 2016

42 (165 to 168)

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1  
2 STATE OF NEW YORK )  
3 ) ss:  
4 COUNTY OF NEW YORK )  
5  
6 I, SADIE L. HERBERT, a Registered  
7 Professional Reporter and Notary Public, do  
8 hereby certify:  
9 That WILLIAM STREIN the witness  
10 whose deposition is hereinbefore set forth, was  
11 duly sworn by me and that such deposition is a  
12 true record of the testimony given by such  
13 witness.  
14 No witness read and sign was  
15 requested.  
16 I further certify that I am not  
17 related to any of the parties to this action by  
18 blood or marriage; and that I am in no way  
19 interested in the outcome of this matter.  
20 IN WITNESS WHEREOF, I have hereunto  
21 set my hand this 20th day of December 2016.  
22   
23 \_\_\_\_\_  
24 SADIE L. HERBERT

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